

## **EXHIBIT 4**

### **Declaration of Steve Farmer**

**IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA**

**STUDENTS FOR FAIR  
ADMISSIONS, INC.,**

**Plaintiff,**

**v.**

**THE UNIVERSITY OF NORTH  
CAROLINA et al.,**

**Defendants.**

**CASE NO. 1:14-CV-954**

**DECLARATION OF STEPHEN M. FARMER**

I, Stephen M. Farmer, hereby make this declaration from my personal knowledge and, if called to testify to these facts, could and would do so competently:

**I. Background and Role at the University**

1. I am the Vice Provost for Enrollment and Undergraduate Admissions at The University of North Carolina at Chapel Hill (the “University” or “UNC-Chapel Hill”). With assistance from others, I am responsible for undergraduate admissions, scholarships and student aid, and student records at the University.

2. I received my undergraduate degree from Duke University in 1984, and a Master’s degree in English from the University of Virginia (“UVA”) in 1986.

3. From 1986 to 1990, and again from 1993 to 1994, I taught composition at UVA. From 1990 to 1993, I taught courses in composition and English literature at Mary Washington College. In 1994, I joined UVA’s office of undergraduate admissions, where I worked until 2000. My primary responsibilities in UVA’s office of undergraduate admissions included recruitment and application evaluation.

4. In September 2000, I joined the Office of Undergraduate Admissions at the University as Senior Associate Director of Admissions. In September 2004, I became the Assistant Provost and Director of Undergraduate Admissions. In October 2011, I became the Vice Provost for Enrollment and Undergraduate Admissions, the position I hold today. I report directly to the Executive Vice Chancellor and Provost of the University, Robert Blouin, and also serve on the Provost’s Cabinet. I report through the Provost to the Chancellor of the University and to the University’s Board of Trustees.

5. As the Vice Provost for Enrollment and Undergraduate Admissions, I am responsible for all aspects of the University's Office of Undergraduate Admissions. The Office has a staff of approximately 120 full- and part-time individuals, including approximately 60 who lead or serve in the Carolina College Advising Corps. I am also responsible for overseeing the University's Office of Scholarships and Student Aid. Rachelle Feldman, Associate Provost and Director of the Office of Scholarships and Student Aid, is one of my direct reports.

6. In my present position, I have served and continue to serve on many University committees and advisory and working groups. For example, I currently serve on the Educational Benefits of Diversity and Inclusion Working Group, the History Makers Scholarship Naming Committee, the Academic Support Program for Student Athletes Advisory Committee, and the Trademark Use Committee.

## **II. The University, Its Mission, and the Role of Undergraduate Admissions**

7. The University was founded in 1789 as the nation's first public university. The University exists to educate the citizens of North Carolina. North Carolina's constitution requires that the benefits of the University, "as far as practicable, be extended to the people of the State free of expense."

8. The University is a national leader in academic excellence and financial aid; we are perennially ranked as one of the top five national public universities by U.S. News & World Report, and this year the same publication ranks us as the first "Best Value" among public universities and the eighth "Best Value" among all universities, public or private. For 17 years in a row, we have placed first among public universities

nationwide in Kiplinger's Personal Finance magazine's ranking of "best college values"—schools that offer students "a high-quality education at an affordable price."

9. The University's mission statement provides and explains the following:

Our mission is to serve as a center for research, scholarship, and creativity and to teach a diverse community of undergraduate, graduate, and professional students to become the next generation of leaders. Through the efforts of our exceptional faculty and staff, and with generous support from North Carolina's citizens, we invest our knowledge and resources to enhance access to learning and to foster the success and prosperity of each rising generation. We also extend knowledge-based services and other resources of the University to the citizens of North Carolina and their institutions to enhance the quality of life for all people in the State.

With lux, libertas — light and liberty — as its founding principles, the University has charted a bold course of leading change to improve society and to help solve the world's greatest problems.

(Ex. 32 (The Mission Statement of the University of North Carolina, Chapel Hill), UNC0323722.)

10. The University's experience has shown that the University cannot achieve this mission without enrolling a broadly diverse student body where everyone feels empowered to be, speak, and act as unique individuals. Only in such a setting can the University provide a rich learning environment necessary to realize the educational benefits of diversity for all.

11. The University's 2003 Academic Plan recognized that "diversity is critical to the University's effectiveness in fully preparing its students for the world." (Ex. 35 (The University of North Carolina at Chapel Hill Academic Plan – July 2003), UNC0379143-87, at UNC0379170.)

12. The University's 2011 Academic Plan reinforced this theme, making clear that the University cannot fulfill its mission without fostering a diverse campus, noting that "Carolina's learning environment is enhanced by students, faculty, and staff from multiple backgrounds and ethnicities interacting together." (Ex. 36 (The University of North Carolina at Chapel Hill Academic Plan 2011), UNC0379188-283, at UNC0379233.)

13. It is our experience that diversity yields transformational educational benefits, including, but by no means limited to: promoting the robust exchange of ideas, fostering innovation, broadening world-views, and preparing engaged and productive citizens.

14. The University's admissions approach is built on these principles. We admit and enroll accomplished and capable students who are diverse in all ways. In our evaluation of candidates for admission, we consider each person as a unique and complex human being, through processes designed and implemented to ensure a comprehensive, holistic, individualized, and flexible evaluation of each and every applicant.

15. The undergraduate admissions policy, broadly set by the Board of Trustees, reinforces the University's mission, including to admit and enroll a highly qualified and diverse student body. The Trustee Policy on Undergraduate Admissions highlights the importance of evaluating "scholastic promise" based on an applicant's academic record, recommendations, test scores, and other information provided in the application for admission, while also emphasizing the University's "commitment to achieve excellence, to provide for the leadership of the educational, governmental, scientific, business,

humanistic, artistic, and professional institutions of the state and nation, and to enrich the lives of all the people of North Carolina.” (Ex. 38 (The University of North Carolina at Chapel Hill: Admissions Policy), UNC0376839-47, at UNC0376839.)

16. Beyond the provision of this general direction, the Board of Trustees has delegated authority over the establishment of policies and procedures for undergraduate admission to the University’s Advisory Committee on Undergraduate Admissions (“Advisory Committee”). In September 2007, the Advisory Committee adopted a Statement on the Evaluation of Candidates for Admission. Tethered closely to the University’s mission of admitting highly qualified and diverse students, the Advisory Committee’s Statement provides the following:

In evaluating candidates for undergraduate admission, the University of North Carolina at Chapel Hill seeks to shape the entering class so that its collective strengths will foster excellence within the University community; enhance the education of everyone within; provide for the leadership of the educational, governmental, scientific, business, humanistic, artistic, and professional institutions of the state, nation, and world; and enrich the lives of all the people of North Carolina.

In so doing, we aim to help the University fulfill its stated mission: to serve “the people of the state, and indeed the nation, as a center for scholarship and creative endeavor,” and to be “a community engaged in original inquiry and creative expression, while committed to intellectual freedom, to personal integrity and justice, and to those values that foster enlightened leadership for the state and nation,” and indeed the world.

The qualities we seek in each class are those that foster such a community, including intellect, talent, curiosity, and creativity; leadership, kindness, and courage; honesty, perseverance, perspective, and diversity. Although we expect each successful candidate to demonstrate strength in many of these areas, we do not expect every candidate to be equally strong in all of them. Just as there is no formula for admission, there is no list of qualities or characteristics that every applicant must present.

In shaping the class, we evaluate individual candidates rigorously, holistically, and sympathetically. We seek to assess the ways in which each candidate will likely contribute to the kind of campus community that will enable the University to fulfill its mission. This assessment requires not only that we note the achievements and potential of each applicant but also that we understand the context within which achievements have been realized and potential forged.

These comprehensive and individualized evaluations, taken together, do not aim to maximize any single, narrow outcome—for example, the average SAT score or the average eventual GPA of the entering class. Rather, they aim to draw together students who will enrich each other's education, strengthen the campus community, contribute to the betterment of society, and help the University achieve its broader mission.

(Ex. 37 (Faculty Advisory Committee on Undergraduate Admissions, Statement on the Evaluation of Candidates for Admissions), UNC0104859.)

### **III. The University's Admissions Approach and Evaluation of Applications**

17. Admission to the University is extremely competitive and highly selective. For the class of 2022, the University received approximately 43,500 applications for admission to a class of approximately 4,325 students. To enroll a class of this size, the University offered admission to approximately 9,500 applicants, resulting in an overall admissions rate of approximately 22 percent.

18. The admission for out-of-state students is even more competitive. The University's Board of Governors' policy provides that the enrollment of non-North Carolina residents in each incoming class cannot exceed 18 percent, meaning that at least 82 percent of the students in each incoming class must be residents of North Carolina. The admission rate for non-North Carolina residents applying for admission to the class of 2022 was approximately 13 percent.



19. Candidates apply for admission by submitting their application to the University electronically by one of two deadlines, October 15th to be considered for non-binding Early Action, and January 15th for the Regular Decision deadline.

20. Every application for admission is read in its entirety by at least one of approximately 40 application readers. The application readers are full- or part-time Office of Undergraduate Admissions employees who have a wide range of backgrounds and experiences. They are responsible for reading all applications for admission and making admissions decisions for each candidate.

21. Prior to the beginning of the admissions cycle, the readers receive training on admissions policies and practices conducted by Jared Rosenberg, Associate Director of Admission for Evaluation, and by other experienced members of the Office of Undergraduate Admissions.

22. The readers are taught that the goal of each evaluation is to understand the candidate holistically. The Admissions Reading Document, which lays out the University's approach to evaluation, is provided and explained to every reader. (Ex. 39 (Reading Document for the 2016-2017 Application Year), UNC0323603-10.)

23. The reader training emphasizes that there are no fixed criteria for admission. Typically, however, applicants are assessed using more than forty criteria, grouped into 8 broad categories:

- a) Academic performance: including grade-point average, rank in class, trends in grades, and patterns in grades, all viewed within the contexts of the entire applicant pool and the student's high school.

- b) Academic program: rigor, breadth, and pattern of courses taken, all viewed within the context of the entire applicant pool and the student's high school.
- c) Standardized testing.
- d) Extracurricular activity: engagement outside the classroom, persistence of commitment, demonstrated capacity for leadership, contributions to family, school, and community, work history, unique or unusual interests.
- e) Special talent: in music, drama, athletics, and in writing.
- f) Essay criteria: voice, organization, fluency and persuasiveness, evidence of self-knowledge and reflection, insightfulness, unique or unusual perspectives.
- g) Background: relative advantage or disadvantage, as indicated by family income level, education history of family members, impact of parents/guardians in the home, high school environment, experience of growing up in rural or center-city locations, status as child or step-child of Carolina alumni.
- h) Personal criteria: including curiosity, kindness, creativity, integrity, motivation, history of overcoming obstacles or setbacks, openness to new cultures and ideas, talent for building bridges across divisions in school or community or among individuals from different background.

(*Id.* at UNC0323608-09.)

24. An applicant's race, ethnicity, or national origin, should the applicant choose to provide it, may be considered—in a limited way—during the evaluation process. However, the readers are taught to consider an applicant's race and ethnicity in the context of everything else the University knows about a candidate and in light of the range of contributions the candidate might make to the University community.

25. The University's consideration of a candidate's race or ethnicity is flexible and non-numbers-based. Candidates of different racial or ethnic backgrounds are never reviewed in separate groups or assigned points or an automatic plus based on their race;

nor does the University have quotas for any particular racial or ethnic group, or for underrepresented minority students as a whole.

26. Readers are also trained to consider the socioeconomic circumstances of the applicant during the evaluation. Readers are made aware of an applicant's socioeconomic circumstances through several indicators in the application for admission, including whether a candidate received an application fee waiver, the candidate's status as a first-generation college student, the occupation and employment status of the applicant's parents or guardians, and whether the candidate attends a school where a high percentage of students receive free or reduced-price lunch.

27. After training, the readers begin reading the applications assigned to them. The reader reads the application; assesses the applicant across specified categories; and formulates an opinion about whether the student should be offered admission based on the totality of information in the applicant's file. The reader notes this recommended decision and provides a comment to explain and support it. The admissions decisions made at this stage are provisional and require additional review before becoming final.

28. All applications are read in full at least once, but some applications may require a second read. Second reads of applications are conducted by more experienced application readers, known as "Tier 2 Readers." The admissions decisions made by Tier 2 Readers are also provisional and require additional review before becoming final.

29. During the evaluation process, readers are never given quotas, targets, or numerical goals regarding the demographic make-up of the provisionally-admitted class. Beyond receiving information regarding the number of applications received and

applications read, readers are not provided with statistical information regarding the provisionally admitted students and their demographics during the evaluation process.

30. Periodically, Office of Undergraduate Admissions leadership may need information about the demographic make-up of the incoming class in order to respond to inquiries from University stakeholders and constituents. If members of the Office of Undergraduate Admissions require access to information regarding the racial or ethnic make-up of the admitted or enrolling class during the evaluation process, they must recuse themselves from the reading process.

31. After provisional admission recommendations have been made for each candidate, the Office of Undergraduate Admissions conducts a final review of each decision alongside other decisions for applicants from the same high school. This process is known as School Group Review (“SGR”).

32. SGR has two primary objectives. First, it allows the Office of Undergraduate Admissions to consider its expected enrollment for the incoming class and then, as part of trying to avoid over- or under-enrollment, to adjust up or down the total number of students provisionally designated for admission. Second, SGR serves as a quality-control measure allowing senior members of the Office to review the readers’ provisional admission recommendations not only for conformity with the University’s admissions policies and practices, but also to ensure that decisions concerning applicants from the same high school are reasonable in context.

33. SGR is conducted by experienced readers. Readers conducting SGR are not aware of the racial and ethnic composition of the provisionally admitted class.

34. Decisions made during SGR are driven by the prediction of the number of spaces in the entering class that are likely to be filled by the students who have been recommended provisionally for admission. This number is calculated by using a statistical “yield model.” The yield model predicts likely enrollment based on the number of applicants who have been provisionally admitted based on the residency of each applicant and other attributes that in previous years have correlated with a greater or lesser likelihood of enrolling. Based on the predicted enrollment, and the proportion of North Carolina versus out-of-state students, the Office may need to adjust the number of admitted students as decisions are being reviewed during SGR.

35. If an application is revisited during SGR, it is given the same holistic and individualized review it received during the earlier stages of the regular admissions process. In this way, SGR is a further holistic review of applications conducted by the Office of Undergraduate Admissions.

36. At the conclusion of SGR, decisions are released to each applicant. Candidates admitted to the University have until May 1 to accept their place in the incoming class and to submit their enrollment deposit or their request for a waiver of their deposit.

37. Applicants who are denied admission may appeal their admissions decisions. The appeals are made to me, and my decisions regarding appeals may be appealed to the Executive Vice Chancellor and Provost.

38. Each year, the University receives many more applications for admission than there are places available in the first-year undergraduate class. Although the

University declines admission to applicants at each application deadline, in other instances, the University may offer some candidates a place on the waiting list. Should the initial round of admissions offers not yield a full class, the University may offer admission to candidates on the waiting list after an individualized and holistic review. In the past five enrolling first-year classes, the number of students who were offered admission from the waiting list has ranged from 22 to 86.

39. Final decisions for all candidates who accepted a spot on the waiting list are made no later than June 30th of each year.

#### **IV. The Office of Undergraduate Admissions Regularly Assesses the Outcomes of the University's Admissions Approach**

40. Given the mission-critical nature of achieving the educational benefits of diversity, and given the crucial role that a diverse student body plays in providing these benefits, the Office of Undergraduate Admissions regularly assesses the diversity of the entering class along many dimensions. These assessments include, but are by no means limited to:

- (a) Compiling and sharing detailed aggregate information about enrolling students, and then soliciting and considering the reactions of students, faculty, staff, and alumni to this information;
- (b) Engaging with current students to understand their lived experience on our campus; and
- (c) Surveying prospective, admitted, and enrolling students regarding the extent to which they seek the educational benefits of diversity that the University aims to provide.

41. The Office of Undergraduate Admissions also regularly communicates detailed information to the campus community about our enrolling students. For example,

each year we produce and publish a detailed profile of the first-year and transfer class. In addition to providing information about the academic achievements of the class, the profile includes broad information regarding diversity of background, experience, and interest, including: residency; gender; citizenship; socioeconomic status; parent or step-parent affiliation with the University; race and ethnicity; military affiliation; language fluencies; special talent in athletics, music, or dramatic art; parental occupation; intended major; and career interest.

42. We also share information regarding the diversity of the enrolling class through publications and presentations to University leadership groups. During the 2017-2018 academic year, we made such presentations to the University Affairs Committee of the Board of Trustees, the Diversity and Inclusion Council, the Faculty Executive Committee of the Faculty Council, the Alumni Committee on Racial and Ethnic Diversity, and the Provost's Leadership Cabinet.

43. I regularly communicate with the University's Chancellor, Executive Vice Chancellor and Provost, and other leaders regarding the outcomes of our admissions process, both in person and in writing.

44. In addition to reporting information regarding the enrolling class, the Office of Undergraduate Admissions receives feedback from students, faculty, staff, and alumni regarding their satisfaction with the quality and diversity of the enrolling class and the undergraduate student body more generally. Because our students have indicated their overwhelming interest in receiving the educational benefits of diversity, and because those benefits derive in part from our enrolling a student body that is diverse along many

dimensions, the reactions of students can be particularly helpful in assessing the effectiveness of the Office's practices in recruitment and admissions. The reactions of faculty are valuable, too, given their role in providing educational benefits to students, as are the reactions of staff and alumni, who contribute significantly to the achievement of the University's mission.

45. We often learn of these reactions through our Admissions staff members' involvement with campus groups such as Carolina Firsts (a student support program for first-generation college students), the Carolina Black Caucus, the Carolina Veterans Organization, the American Indian Center, and the Carolina Latinx Collaborative.

46. Some of these reactions are reported in the media. The student newspaper, the Daily Tar Heel, has published stories regarding the diversity of the student body on several occasions in recent years. These stories have focused, for example, on first-generation-college students, low-income students, veteran and other military-affiliated students, and underrepresented minority students.

47. The Office of Undergraduate Admissions also invites feedback about the diversity of the entering class from the Advisory Committee on Undergraduate Admissions, Faculty Council, and the deans of the University's schools and College of Arts and Sciences.

48. We also engage with current students to understand their lived experience on our campus, including their interactions with other students and their experience of diversity. Our staff members are in close contact with a group of approximately 250



student tour guides and work-study students, as well as other students with whom staff members have kept in touch following their recruitment to the University.

49. The Office of Undergraduate Admissions also hosts panel discussions with students in which the students discuss their experiences with the Office and the University, both during their recruitment and once they have enrolled. During the 2017-2018 academic year, these panels included military-affiliated students, students from rural communities in North Carolina, and African-American male students.

50. The feedback we receive from underrepresented minority students through these various forums consistently indicates that there are still significant concerns about what they consider to be low numbers of underrepresented minority students on campus (especially for certain groups), and that some underrepresented students face challenges that may impede their full engagement in all corners of the University.

51. We also learn valuable information regarding the extent to which admitted and enrolling students hope to receive the educational benefits of diversity through our annual Admitted Student Questionnaire. The vast majority of the survey respondents—more than 90 percent—agreed that they hoped to receive the educational benefits of diversity the University seeks to deliver.

52. I am also a member of the University's Educational Benefits of Diversity and Inclusion Working Group ("EBD Working Group"), which was convened by Provost Blouin in December 2017. The EBD Working Group is charged with coordinating and enhancing the assessment of the University's ongoing efforts to realize the educational benefits of diversity and inclusion for its undergraduate students.

53. As a member of the EBD Working Group, I reviewed existing data regarding the University's delivery of the educational benefits of diversity. This data included student surveys and other assessments administered by units across campus. I also presented to the group some of the admissions assessments described above, including reporting results of our recent Admitted Student Questionnaire.

54. My involvement with the EBD Working Group, in addition to the reporting and assessment work done by the Office of Undergraduate Admissions, helps the Office understand how our recruitment practices and admissions approach are serving the University's mission.

#### **V. Institutional Review of the University's Admissions Approach**

55. Our admissions approach undergoes institutional review through the Advisory Committee on Undergraduate Admissions ("Advisory Committee"), a standing committee of the Faculty Council that is charged with assessing the design and application of the University's admissions policy, recommending admission guidelines, and responding to the national college admissions environment.

56. The Advisory Committee is chaired by the Dean of the College of Arts and Sciences (or a designee) and includes the following additional members: the Associate Dean for Academic Advising in the College of Arts and Sciences; two other academic deans from outside the College of Arts and Sciences; and seven faculty members engaged in undergraduate instruction. All members of the Advisory Committee are appointed by the Chancellor. The Advisory Committee also has non-voting consultants, which have

included members of the Office of Undergraduate Admissions and other University leaders.

57. The Advisory Committee meets five or more times per year to assess current admissions policies and practices, review the results of the admissions cycle, and consider proposals for changes to admissions practices.

#### **VI. The University's Employs Many Race-Neutral Admissions Approaches**

58. The University employs race-neutral approaches to admissions through its recruiting initiatives and financial aid awards.

##### **A. The University's recruiting initiatives help to attract and enroll a diverse class.**

59. The University engages in extensive recruiting efforts to try to fulfill its diversity objectives, including (1) undertaking efforts to increase access to higher education for students throughout the state; (2) engaging in meaningful recruitment to increase applications to the University, including from underrepresented, low-income, first-generation-college, and geographically-diverse students; (3) endeavoring to increase the number of admitted students who enroll at the University; and (4) engaging in efforts to help enrolled students thrive academically at the University.

60. For example, the University works to increase access through the Carolina College Advising Corps, a program aimed at boosting the college-going rates of underrepresented, low-income, and first-generation-college students. Recent graduates of the University serve as advisors and are placed in high schools throughout the state. Advisors assist students with admission, financial aid, and scholarship applications.

61. The University also visits communities and high schools throughout the state and the nation, including historically underrepresented and low-income communities. Through these efforts, the University provides students and their families with information about the college application process, University admissions requirements, and scholarship opportunities and financial aid.

62. The University hosts numerous on-campus opportunities for prospective students as part of its efforts to enhance the diversity of the undergraduate community, including daily tours and visits, as well as longer on-campus programs for middle- and high-school students. These on-campus programs target middle and high-school students from historically underrepresented populations—including underrepresented minority students, first-generation-college students, low-income students, and rural students.

63. The University also undertakes efforts to encourage admitted students from historically underrepresented populations to enroll at the University. The University hosts programs that invite admitted students on campus to learn more about the University and provide students with information related to housing, financial aid, academic support, and social life at the University.

64. Because, in our experience, community-college transfer students offer diverse backgrounds and experiences that enrich the campus community, the University also works actively to expand enrollment by such students. The University established the Carolina Student Transfer Excellence Program (“C-STEP”) in 2006 to help remove the academic, social, and financial barriers that often prevent transfer students from

enrolling in and thriving at the University. Students whose household incomes fall at or below 300% of federal poverty guidelines are eligible for C-STEP.

65. C-STEP offers guaranteed University admission to students who attend one of eleven partner community colleges in the state of North Carolina and complete required coursework and earn an Associate's degree. After completing these requirements, C-STEP students are eligible to enroll as juniors at the University. We meet 100% of the financial need of enrolling C-STEP students and provide extensive support to help them successfully make the transition. To date, more than 500 students have benefitted from C-STEP.

**B. The University provides generous financial aid.**

66. The University is also committed to ensuring that low-income students have access to a Carolina education. Our admissions process is need blind, meaning that we do not consider applicant's ability to pay all or part of the full cost of their education when making admissions decisions. Rather, we work actively to increase access for low-income students, not only by seeking to understand their achievements in the context of any socioeconomic challenges they might have faced, but also by making it financially possible for them to attend and graduate from the University once they are admitted.

67. The University meets 100 percent of each admitted student's demonstrated financial need. It is virtually alone among public universities in doing so. Our generous financial aid policy is a race-neutral way the University attracts and enrolls a diverse undergraduate student body.

68. Students must apply for financial aid by completing the Free Application for Federal Student Aid form (“FAFSA”) and the College Board’s College Scholarship Service (“CSS”) Profile questionnaire. These forms collect information regarding the applicant’s family income, assets, and benefits and calculates an applicant’s “Expected Family Contribution” according to a set formula. The difference between the University’s estimated cost of attendance and an applicant’s Expected Family Contribution is known as “demonstrated financial need.”

69. Every admitted student who demonstrates need on both the FAFSA and CSS Profile and is eligible for federal aid receives a financial aid package that covers the student’s full demonstrated financial need. This package typically includes a combination of scholarships, grants, low-interest federal and/or institutional loans, and work-study opportunities.

70. In the 2016-2017 school year, we awarded more than \$261 million in scholarships and grants. Of this amount, we provided \$159 million in scholarships and grants to undergraduate students, with \$26.6 million awarded to incoming first-year students. Approximately 41 percent of the first-year entering class received scholarship or grant money from the University.

71. The University awards 93 percent of available scholarship and grant funds based solely on demonstrated financial need.

72. The University is nationally recognized for its affordability and routinely ranks at the top of best-buy lists. For seventeen years and counting, the University has been named the best value in American public higher education by Kiplinger’s Personal

Finance. In selecting the University for its top public spot, Kiplinger's highlighted our generous need-based aid awards.

73. In 2017, the Jack Kent Cooke Foundation ("Foundation") awarded the University its prestigious Cooke Prize for Equity in Educational Excellence, a \$1 million award given to "a selective college or university with an excellent record of admitting, supporting and graduating outstanding low-income students." We are the only public school to receive this award to date. The Foundation acknowledged UNC-Chapel Hill as a "national leader and role model for providing equal educational opportunity to students based on academic merit, regardless of family income."

74. Our Carolina Covenant program demonstrates our commitment to providing educational opportunity to our students, regardless of their ability to pay. Students who earn admission and are eligible for the Covenant are offered a combination of grants, scholarships, and work-study opportunities that meet 100 percent of their cost of attendance and allow them to graduate debt free. The Carolina Covenant was the first program of its type to be instituted by a public university.

75. Currently, students whose family income is at or below 200 percent of federal poverty guidelines qualify for the Carolina Covenant. The program is open to North Carolina residents and out-of-state students who meet the family income threshold. However, because the vast majority of undergraduates are in-state residents, approximately eighty to ninety percent of Covenant Scholars come from North Carolina.

76. Carolina Covenant Scholars account for approximately 12 to 14 percent of each incoming first-year class. The University does not cap the number of students who

are eligible. As a result, the number of Covenant Scholars enrolled at the University has increased steadily since the program's 2004 inception.

77. In addition to financial aid, Covenant Scholars receive a variety of academic and personal support to maximize their experience at UNC-Chapel Hill. For example, Covenant Scholars participate in special orientation programs to welcome them to the University and to educate them about available resources and opportunities. Each Covenant Scholar is assigned a faculty mentor and a peer mentor to provide guidance during the student's first year at the University. Academic coordinators monitor students' academic progress and work one-on-one with students who need help addressing learning-related issues. Students also participate in academic workshops and are invited to participate in special programming geared toward improving their financial and social literacy.

78. In addition to academic opportunities, Covenant Scholars receive vouchers to attend performing arts events and are encouraged to participate in a study abroad program. They receive additional aid to make a study abroad experience financially possible.

79. The Covenant program has been successful not only in attracting low income students to UNC-Chapel Hill, but also in retaining them and helping them graduate. The Covenant has made a Carolina education possible for more 8,000 students since the start of the program.



**C. At present, it is not workable to significantly expand the University's financial aid programs.**

80. Being a need blind institution is critical to UNC-Chapel Hill's mission and character as a selective school "for the people," as is our ability to meet the full demonstrated need of every student offered admission. We believe applicants should be assessed on the whole of their achievements and their expected contributions to the campus community, not on their ability to pay. And any student who earns admission in this way should be able to attend and graduate, even if they are otherwise unable to afford the cost of a Carolina education.

81. This dual commitment—to be need blind in admission, and to meet the full demonstrated need of those who are admitted—is quite rare in higher education. It is also expensive and requires commitment, sacrifice, and careful stewardship on the part of the University.

82. Although the largest source of University funding for financial aid is tuition revenue, this source cannot be expanded. In 2014, the share of total base tuition revenue that may be used for need-based financial aid at each university in the UNC system was capped at 15-percent. Since UNC-Chapel Hill exceeded this 15-percent cap at the time the policy was adopted, the amount of tuition the University could use for aid was frozen at \$67.5 million, the amount of base tuition revenue that was allocated to need-based aid during the 2014-2015 academic year. Until this \$67.5 million comprises less than 15 percent of total base tuition revenue, the University cannot spend additional tuition

revenue on need-based student aid. Thereafter, the share of total base tuition revenue that can be used for need-based aid may not exceed the 15-percent cap.

83. Consequently, as the financial need of undergraduate students has increased since 2014-2015, the University has had to devote an increasing amount of non-tuition revenue to need-based aid. This allocation of non-tuition revenue in order to maintain our current admissions and financial-aid policies has represented a significant commitment and a significant sacrifice on the part of the University.

## **VII. The University Has Given Good Faith Consideration to Race-Neutral Alternative Admissions Practices**

84. The University understands that its limited and nuanced consideration of race during its admissions process requires that we give serious, good faith consideration to workable race-neutral alternatives (in addition to the race-neutral strategies the University already employs) that will achieve the diversity goals sought by the University.

85. The University has adopted many race-neutral admissions strategies, including its financial aid program, recruitment initiatives, and outreach programs described above.

86. In addition, the University has thus worked diligently to identify alternatives to the use of race and ethnicity in the admissions process that would yield a comparably diverse and academically-gifted class.

87. We have paid careful attention to the results that additional race-neutral alternatives have yielded at other highly selective universities, learning about these

results through accounts in professional journals and the media and through presentations and conversations at meetings of professional organizations.

88. For example, we have regularly reviewed public information regarding the results of race-neutral alternatives implemented by the University of California at Berkeley and the University of California at Los Angeles following the passage of Proposition 209, which prohibits any consideration of race or ethnicity in public education in that state. We have regularly reviewed similar information for the University of Michigan following the passage of Proposal 2 in that state. All three are also among the group of ten public universities that constitute our official peers for benchmarking and assessment by the UNC System.

89. We have also reviewed public information regarding the results of the formerly exclusively race-neutral top-10-percent plan practiced by the University of Texas at Austin, another of our official public peers.

90. In addition to reading about the results of these race-neutral practices, we have also discussed them in professional meetings, including regular meetings of the Access and Diversity Collaborative of the College Board.

91. The University has also conducted analyses of race-neutral alternatives in order to assess whether any alternatives exist that would yield a comparably diverse and academically qualified student body.

92. In 2007, I conducted an analysis of a socioeconomic race-neutral alternative. This analysis tested whether giving increased weight during the evaluation process to socioeconomic status would yield a class with similar diversity and academic

credentials to the class that was actually admitted through our current admissions approach.. Using information from a recent admissions year, I tested whether additional weight, applied automatically to data readily available at the point of application—specifically, whether a candidate was a first-generation-college student or a low-income student who qualified for a waiver of the University’s application fee—would serve as an effective substitute for our practice of comprehensive, holistic, and individualized review, including limited and non-numbers-based consideration or race or ethnicity as one factor among many.

93. Based on my analysis, I concluded that giving increased weight to socioeconomic status would not yield comparable levels of diversity and academic excellence to those attained through the University’s holistic review.

94. In 2009, I tasked Jennifer Kretchmar, then the Senior Assistant Director of Admissions, with undertaking an extensive review of published studies of race-neutral admissions practices. Dr. Kretchmar’s research concluded that race-neutral alternatives had been ineffective in reproducing the same level of diversity as race-conscious admissions practices. (Ex. 41, J. Kretchmar Research Compendium (2009 Literature Review), UNC0079519-31.)

95. In 2012, using data drawn from our applicant pool, the Office of Undergraduate Admissions modeled the impact of a top 10 percent plan on the share of the entering class composed of residents of North Carolina. Based on this model, which involved only those North Carolina residents who applied for admission and who attended schools that provided official class ranks, we estimated that offering admission

to every student in our applicant pool who ranked in the top 10 percent would yield a slight increase in the enrollment of underrepresented students in this share of the class, but the predicted first-year grade point average and average SAT of the entering class declines sharply. This model also suggested that the admission rate for North Carolina residents ranking below the top 10 percent declines sharply by over twenty percent and thus excludes many students who would have been considered outstanding within our process of comprehensive, holistic, and individualized review. (Ex. 40 (Top 10 Percent Plan (2012 Analysis)), UNC0079622.)

96. The conclusions of the Office of Undergraduate Admissions' 2012 analysis were shared with Advisory Committee on Undergraduate Admissions.

97. In 2013, I convened a Race-Neutral Alternatives Working Group (the "Working Group") to expand on our prior efforts. The Working Group was charged with investigating alternatives to race-conscious admissions practices, reviewing research to determine anticipated results of alternative approaches, and making appropriate recommendations. The Working Group was composed of members of the Office of Undergraduate Admissions and other University faculty and staff members. The Working Group considered several race-neutral alternatives to admission and conducted a statistical analysis to determine the kind of student body several race-neutral alternatives would yield. (See Ex. 49 (Exploring Race-Neutral Alternatives in Undergraduate Admissions ("White Paper")), UNC0283540-68.)

98. One alternative examined by the Working Group was using strength of high school curriculum rather than class rank as a race-neutral criterion for admission. (*Id.* at

UNC0283557.) Using data regarding North Carolina public high school students obtained from the North Carolina Education Research Data Center (“NCERDC”), the Working Group tested this model and found that racial and ethnic diversity declined by 10 percent. (*Id.*) In addition, both socioeconomic and geographic diversity declined under this model in comparison to the University’s holistic review. (*Id.*)

99. The Working Group also modeled in detail the impact of a top 10 percent plan using the statewide NCERDC data rather than the more-limited data from the University’s applicant pool. (*Id.* at UNC0283556.) The Working Group compared the demographics and the academic credentials of all statewide top 10 percent students with those who had been offered admission to the University under its holistic review process. (*Id.*) Although the ethnic and racial diversity of the two groups was nearly identical, there was a significant decline in almost every academic marker. (*Id.*)

100. Due to the constraints on the size of class the University can enroll, the Working Group also considered an alternative that would guarantee admission only to students in the top 4.5 percent of their public high school classes. (Ex. 49 at UNC0283556-57.) Under this model, the class was less diverse racially and socioeconomically, and also had weaker academic credentials than the class admitted under the University’s holistic review. (*Id.* at UNC0283557.)

101. The Working Group also modeled the impact of a plan that guaranteed admission to top-ranked students while at the same time providing some consideration for socioeconomic diversity. (*Id.*) This approach guaranteed admission to the top 7.5 percent of each class in high poverty public high schools and guaranteed admission to those in

the top 3 percent of low poverty public schools. (*Id.*) While this model yielded slightly higher (less than 3%) ethnic diversity, the academic credentials of the entering class were weaker than those students admitted through holistic review. (*Id.*)

102. Based on this analysis, the Working Group concluded that no race-neutral alternative would allow the University to achieve the same levels of academic excellence and diversity as our current practice of holistic review.

103. The results of the Working Group's analysis were explained and summarized in a paper titled "Analysis of Race-Neutral Alternatives." (Ex. 49.) This paper was presented to the Advisory Committee on January 19, 2016. (Ex. 51 (Exploring Race-Neutral Alternatives in Undergraduate Admissions, January 19, 2016 PowerPoint presentation to Committee), UNC0323680-90.)

104. In February 2016, the Advisory Committee on Undergraduate Admissions formally established the Committee on Race-Neutral Strategies as the fourth subsidiary committee of the Advisory Committee on Undergraduate Admissions. Building upon the work done by the Working Group, the Committee on Race-Neutral Strategies is charged with considering whether workable race- neutral strategies and admissions practices exist that would allow the University to achieve its full diversity objectives without sacrificing other components of its admissions criteria and objectives. The Committee's work is ongoing.

## **VIII. Conclusion**

105. The University's admission approach and the practices of the Office of Undergraduate Admissions are designed to advance the mission of the University. Our

admissions approach, including the careful and limited consideration of an applicant's race as one factor among many, is necessary to attract and enroll the diverse student body that will enable the University to achieve its mission.

106. We devote significant resources to race-neutral approaches through our recruitment activities, financial aid programs, and campus support initiatives. These efforts allow the University to move towards its diversity goals.

107. The University has diligently assessed race-neutral alternative admissions practices, and our work in this regard is continuing. We have not yet identified a workable race-neutral alternative that would enable the University to achieve its goals and objectives.

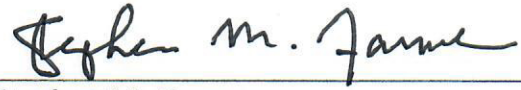
**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

**SIGNATURE PAGE FOLLOWS**



I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing statements are true and correct.

Executed on January 14, 2019.

A handwritten signature in black ink, reading "Stephen M. Farmer", written over a horizontal line.

Stephen M. Farmer  
Vice Provost for Enrollment and  
Undergraduate Admissions